

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 NSAE-00 NSCE-00
SSO-00 ICAE-00 INRE-00 SP-02 AID-05 EB-08 TRSE-00
SS-15 STR-07 OMB-01 CEA-01 COME-00 FRB-03 INR-10
XMB-02 OPIC-03 LAB-04 SIL-01 AGRE-00 DOE-15 SOE-02
/092 W

-----124777 211104Z /11

O R 210920Z APR 78
FM AMEMBASSY ANKARA
TO SECSTATE WASHDC IMMEDIATE 1609
INFO AMCONSUL ADANA
AMEMBASSY ATHENS
AMEMBASSY BONN
AMEMBASSY RUSSELS
AMCONSUL ISTANBUL
AMCONSUL IZMIR
AMEMBASSY NICOSIA
AMEMBASSY PARIS

LIMITED OFFICIAL USE SECTION 1 OF 2 ANKARA 3096

USOECD
USEEC

E.O. 11652: N/A
TAGS: EFIN, TU
SUBJ: TURKISH GOVERNMENT FINANCIAL DATA: BALANCE OF PAYMENTS
PROJECTIONS

REF: ANKARA 2992

1. THIS IS THE THIRD OF A SERIES OF CABLES TRANSMITTING
DATA ON CURRENT FINANCIAL CONDITIONS PROVIDED BY THE
TURKISH GOVERNMENT TO THE GROUP OF INTERNATIONAL BANKS
VISITING ANKARA APRIL 14-15 AND TO THIS EMBASSY. THIS
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CABLE GIVES BALANCE OF PAYMENTS PROJECTIONS FROM
1978 TO 1982.

BLANCE OF PAYMENTS (MILLIONS OF US \$)
(READ IN 5 COLUMNS: 1978; 1979; 1980; 1981; 1982
1) EXPORTS 2,550; 3,000; 3,600; 4,000; 4,500
2) IMPORTS 5,000; 5,400; 5,700; 6,000; 6,250

3) TRADE BLANCE -2,450; 12,400; -2,100; -2,000; -1,750
4.) WORKERS' REMITTANCES 1,300; 1,400; 1,600; 1,700; 1,700
5) TOURISM (NET) 35; 75; 125; 175; 225
6).OTHER INVISIBLES(NET) 140; 165; 185; 205; 225
7)INTEREST ON PUBLIC DEBT OUTSTANDINS -270; -280; -220; -200; -170
8) INTEREST ON 1978 DEBT CONSOLIDATION -308; -308; -308; -231; -154
9) INTEREST ON PROJECT CREDITS -37; -94; -153; -212; -271
10) SERVICE ACCOUNT BALNACE 860; 958; 1,229; 1,437; 1,555
11)CURRENT ACCOUNT BLANCE
(3PLUS10) -1,590; -1,442; -871; -563; -195
12)AMORTIZATION ON PUBLIC DEBT -350; -410; -420; -420; -320
13)AMORTIZATION ON 1978 CONSOLIDATION --; --; --; -960; -960
14)AMORTIZATION ON PROJECT CREDITS --; --; --; --; --;
15)DISBURSEMENTS ON PROJECT CREDITS 520; 900; 950; 950; 950
16)PRIVATE INVESTMENT AND IMPORTS WITH WAIVER 175; 175; 175;
175; 175
17)CAPITAL ACCOUNT BLANCE (LONG-TERM) 345; 665; 705; -255; -155
18) BASIC BALANCE (11 PLUS 17) -1,245; -777; -166; -818; -350
19) FINANCING BY IMF:
DISBURSEMENTS 200; 300; 100; --; --
REPAYMENTS PRINCIPAL --; --; --; --; -100
REPAYMENTS-INTEREST --; -10; -25; -30; -25
20) OVERALL BALANCE(NET OF IMF) -1,045; -487; -91; -848; -475
21) FINANCING FROM EUROMARKET:
DIBURSEMENT 522; 294; 121; 583; 479
REPAYMENT PRINCIPAL --; --; --; -79; -121
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REPAYMENT INTEREST --; -50; -76; -80; -121
22) FINANCING TRADE CREDITS:
DISBURSEMENT 522; 285; 192; 622; 500
REPAYMENT PRINCIPAL --; --; -92; -139; -171
REPAYMENT INTEREST --; -41; -55; -59; -92

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XMB-02 OPIC-03 LAB-04 SIL-01 AGRE-00 DOE-15 SOE-02

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-----124817 211103Z /11

O R 210920Z APR 78

FM AMEMBASSY ANKARA

TO SECSTATE WASHDC IMMEDIATE 1610

INFO AMCONSUL ADANA

AMEMBASSY ATHENS

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2. EMBASSY HAS REARRANGED THE DATA PROVIDED INTO A CONVENTIONAL BALANCE OF PAYMENTS FORMAT. THE TURKISH PRESENTATION DID NOT INCLUDE A CURRENT ACCOUNT BALANCE AND MIXED CAPITAL FLOWS WITH INTEREST PAYMENTS.

3. LINE 12, "AMORTIZATION ON PUBLIC DEBT OUTSTANDING", INDICATES THAT TURKEY PLANS TO REPAY THE PRINCIPAL ON SOME PROPOSED 1978 CONSOLIDATION, LINE 13. THIS AMORTIZATION PAYMENT (\$350 MILLION IN 1978) IS ESSENTIAL TO MAKE THE TABLE BALANCEV; HOWEVER, THE DATA IN LINE 12 ARE NOT CONSISTENT WITH DATA ON PUBLIC DEBT REPAYMENTS PRESENTED

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IN THE "DEBT SERVICE PROJECTIONS TABLE" (SEE SUBSEQUENT CABLE IN THIS SERIES). EMBASSY IS ATTEMPTING TO CLARIFY THIS DISCREPENCY.

4. THE FINANCING OF THE OVERALL BALANCE (LINE 20) IS ARBITRARILY DIVIDED SO THAT HALF IS FINANCED BY NEW EURO CURRENCY LOANS (LINE 21), AND HALF BY TRADE CREDITS (LINE 22). THE LINE 20 FINANCING REQUIREMENT IS INCREASED IN THE YEARS FOLLOWING 1978 BY THE INTEREST AND PRINCIPAL REPAYMENTS ON THE EURO CURRENCY AND TRADE CREDITS.

5. DISBURSEMENTS ON PROJECT CREDITS (LINE 15) ARE QUITE OPTIMISTIC AND APPARENTLY INCLUDE AN ASSUMPTION OF ABOUT \$500 MILLION A YEAR IN PROJECT CREDIT DISBURSEMENTS FROM THE OECD CONSORTIUM IN EACH YEAR FROM

1979 THROUGH 1982. THE BALANCE OF THE PROJECT DISBURSEMENTS IN THESE YEARS IS APPARENTLY TO COME FROM THE WORLD BANK.

6. THE GOVERNMENT APPARENTLY DOES NOT PLAN ON AN INCREASE IN FOREIGN PRIVATE INVESTMENT SINCE LINE 16 IS A CONSTANT \$175 MILLION THROUGHOUT THE PERIOD. EMBASSY ASSUMES THAT "IMPORTS WITH WAIVER", WHICH ARE GOODS IMPORTED FREE OF DUTY BY RETURNING TURKISH GUEST WORKERS, ACCOUNT FOR \$125 TO \$150 MILLION OF THE ANNUAL TOTALS.

7. EMBASSY DOES NOT KNOW THE ASSUMPTIONS UNDER WHICH EXPORT AND IMPORT PROJECTIONS WERE MADE.
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